GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1812
ANSWERED ON:30.07.2015
Introduction of PPP in Coal Sector
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Will the Minister of COAL be pleased to state:

(a) whether the Government is planning to introduce the Public Private Partnership (PPP) in coal sector;
(b) if so, the details thereof;
(c) the steps being taken by the Government to keep balance in PPP;
(d) whether it is a joint venture model or sub-contract model; and
(e) if so, the details thereof?

Answer

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY
(SHRI PIYUSH GOYAL)

(a) to (e): An Inter-Ministerial Committee was constituted to recommend a frame work for PPP within the framework of Coal Mines Nationalisation Act, 1973. The basic objective of this initiative was to attract partnerships of Coal India Limited(CIL) with major mining companies to improve production and productivity of coal mining by CIL. The Committee deliberated on the various models including engaging Mine Developer Cum operator (MDO). A Model Contract Agreement(MCA) for engagement of MDO in CIL was finalized and sent to CIL for adoption by its Board. The Board of CIL has, with certain modification, adopted the Model Contract Agreement for mining of coal in the various mines of CIL.

The MCA interalia provides for the following:-

1) The mine operator shall be responsible for development & operation of the coal mine, construction of infrastructure facilities etc.
2) The responsibility of acquisition of land, obtaining statutory clearances etc shall be with CIL/subsidiary companies.
3) The mine operator shall also be responsible for taking physical possession of land but compensation for land & Resettlement and Rehabilitation (R&R) shall be paid by CIL as per its approved R&R policy.
4) The Mine Operator shall comply in all respects, the various statutory provisions regulations & safeguards as per norms.
5) However, the statutory activities shall be carried out by the coal company.
6) The model does not envisage formation of joint ventures.

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